

'Best ever' drill results announced for Troilus Gold

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[Troilus Gold Corp.](#) (TSX: TLG | OTCQX: CHXMF) ("Troilus") [announced](#) yesterday one of their 'best ever' drill results. **Hole ZSW21-512** returned high-grade gold within 60 metres from surface including **3.51 g/t gold over 15m**, including 6.70 g/t gold over 7m and 27.40 g/t gold over 1m in the Southwest Zone at the Troilus Gold Project.

Troilus [stated](#): "This hole is located 400m south and on trend with previously reported drill hole ZSW20-189, which also returned one of the best results at Troilus **1.56 g/t AuEq over 73m, including 2.05 g/t AuEq over 48m** suggesting a possible extension of this high-grade trend to the south of the Preliminary Economic Assessment ("PEA") pit shell."

Troilus Gold CEO & President Justin Reid [commented](#): "The latest results from the Southwest are exceptional and expand the mineralization in a direction that has not previously been tested. These are among the strongest intercepts that have ever been drilled at Troilus and exemplify the exciting growth potential in this zone, as well as the scale of the larger Troilus trend...."

Indeed, any time a high grade gold zone can be extended it is great news for a gold explorer.

Hole ZSW21-512 drill result shown relative to the mineralized structure and PEA pit



[Source](#)

In other recent news, Troilus [announced](#) solid drill results at the J Zone, including 4.72 g/t AuEq over 7m and 22.51 g/t AuEq over 1m within a broader intersection of **1.57 g/t AuEq over 31m**. Several step-out holes extended down dip mineralization ~60m beyond what was previously known, and up to ~90m below the pit shell proposed in the PEA.

The Southwest Zone sits about 2.5kms away along trend from Z87 South and the old Troilus Mine (Z87 pit)



Source: [Company presentation](#)

Some background on Troilus Gold

Troilus bought the former gold and copper Troilus Mine in 2017 and has subsequently grown the Inferred Resource estimate [by 350%](#) (and the Indicated Resource by [142%](#)). Troilus now has one of the largest [undeveloped gold resources](#) in Canada. From 1996 to 2010, the Troilus Mine produced 2 million plus ounces of gold and nearly 70,000 tonnes of copper.

The Troilus Project has an Indicated Resource of [4.96 million ounces of contained AuEq @ 0.87g/t AuEq](#) and an Inferred Resource of **3.15 million** ounces of contained AuEq @0.84g/t. Valuable by-products include copper and silver.

The [2020 Preliminary Economic Assessment \(PEA\)](#) resulted in a post-tax NPV5% of US\$915 million, post-tax IRR of 32.2%, based on a US\$1,750 gold price. The initial CapEx (net of existing infrastructure) is estimated at US\$333 million and sustaining CapEx over the life of the mine is an additional US\$506 million. The PEA was based on supporting a combined open pit/underground mining (starting in year 8) scenario with a 35,000 tonnes per day ("tpd") operation over a 22-year mine life. The Project has

US\$350 million worth of existing infrastructure in place. The PEA forecast a cash operating cost of US\$719/oz AuEq and an All In Sustaining Cost ("AISC") of US\$850/oz AuEq. Projected gold production averages 220,000 oz per year over the first 5 years and 246,000 oz average per year for the first 14 years and 98,000 from year 15 on. Projected payable gold is 3.8 million ounces, payable copper 265 million lbs and payable silver 1.5 million ounces over the 22-year mine life.

Next steps

Troilus is currently advancing engineering studies and working towards their Feasibility Study. A recent [non-brokered Private Placement](#) raised ~C\$11.15 million from the government of Québec through Investissement Québec ("IQ"), following on from the [C\\$45 million public offering](#) raised in June.

Following the equity raise, Troilus [stated](#): "Troilus and the government of Québec, through Investissement Québec, along with our other strategic Québec-based institutional shareholders **have defined a long-term strategic framework focused on defining and establishing full project financing options** for the development of the Troilus project as we move through feasibility." What this means exactly is open for interpretation. It sounds to me that Troilus may potentially receive further government support when it comes to project financing.

Troilus Gold is receiving support from the Quebec Government who see the potential of the Troilus Gold Project



Source: [Company presentation](#)

Closing remarks

Troilus continues to deliver strong drill results that can

potentially grow their resource even further. Management has also delivered by raising a total of C\$56 million in June/July 2021 ([C\\$45m](#) + [C\\$11m](#)) and appear to have an excellent relationship with the government of Québec, which could bode well for assisting with project financing.

If Troilus can successfully make it to production and produce 200,000 oz Au pa then the Troilus Project would become a top-ranked gold and copper producing asset in Canada. Trading on a current market cap of C\$166 million these are exciting times for investors in Troilus Gold Corp.